

Congress of the United States
Washington, DC 20515

March 16, 2012

President Barack Obama
The White House
Washington, D.C.

Dear Mr. President:

We are writing to express serious concern about China's unfair practices in the auto parts sector, and to encourage your Administration to use all existing authority under the law to preserve and protect U.S. production and jobs.

Recently released reports have highlighted the vast array of policies China's government uses to advantage its producers, such as limiting our exports to their market, subsidizing their exports to ours, and assisting their producers to the disadvantage of ours. The Chinese Government also imposes restraints on the export of key raw materials needed for the production of parts. In that regard, the United States recently won a major decision challenging some of those restraints at the World Trade Organization. We must build on this victory and begin addressing other restraints on materials, including those critical to the production of autos and auto parts. China also coerces U.S. companies in China to transfer their technologies to Chinese partners.

These tactics are working. Chinese auto parts exports are rapidly growing and have increased almost 900 percent since 2000. An unfortunate result of China's predatory and protectionist policies in the auto parts sector has been to begin to sever the traditional link between auto assemblers, parts producers, and aftermarket producers. Thus, while our nation's auto producers are recovering, the auto parts sector faces serious challenges.

We cannot wait until further damage is done. China has signaled its commitment to continue this approach in its recently released twelfth Five-Year Plan and other government directives. To level the playing field for U.S. manufacturers and their workers, we must develop and implement a much more assertive and comprehensive strategy. Your announcement of the Interagency Trade Enforcement Center to promote a more coordinated, effective response to China's unfair trade practices is a major step toward such strategy. Addressing Chinese predatory policies in auto parts should be one of the Enforcement Center's first and highest priorities.

Seventy-five percent of the jobs in the automotive sector are in auto parts, and these jobs are at risk in every state in the nation. China has virtually closed its market to our auto parts exports and continues to take actions to further limit access. Given its importance, the Administration's vigilance in addressing China's harmful policies now, while we can still change this one-way

street in trade, is essential. American companies and workers can compete anywhere when the playing field is level.

Sincerely,

Congress of the United States
Washington, DC 20515

March 2, 2011

Ambassador Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Kirk:

In light of the preliminary report by the World Trade Organization (WTO) concluding that China does not have a legal right to impose export restrictions on various raw materials, we are asking that you move forward on the separate, but clearly related, situation regarding Chinese exports of rare earth oxides and minerals.

Rare earths are the key to technological innovation and the growth of green energy jobs. They are also critical to U.S. national security. Currently, the world is nearly 100 percent reliant on Chinese exports for these vital materials. However, China has been reducing its export quotas every year since 2006, and has announced a further 11 percent reduction for 2011. This reduction of exports by Chinese officials is intended to feed their growing domestic market – a market in many cases instituted to exploit this very same supply restriction, and then consciously maintained by it. Wide-spread reports indicate China is using the restrictions of exports as leverage to force high-tech companies to relocate to China. Even more brazenly, last September and October, China engaged in a de facto embargo against Japan and, apparently, U.S. importers in an attempt to seek retribution for other matters.

These export quota and embargoes are contrary to China's membership obligations in the WTO. The preliminary report on the 2009 complaint filed by the United States, Mexico, and the European Union indicates that the reasoning behind Chinese trade policy is as unacceptable to the WTO as it is to us.

A disruption in supply of rare earths could jeopardize national security, hinder our long-term efforts to achieve domestic energy security, and damage our world-leading high tech industries. While our nation must act to correct our domestic rare earth supply chain problem, we must also recognize that the lack of a level playing field for trade policy is harmful. Accordingly, it is in our best interest to vigorously pursue our options before the World Trade Organization related to Chinese rare earth trade policy.

We look forward to hearing from you on this, and stand ready to assist you in any way.

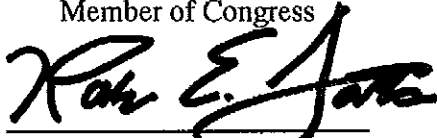
Sincerely,



Mike Coffman
Member of Congress



Walter B. Jones
Member of Congress



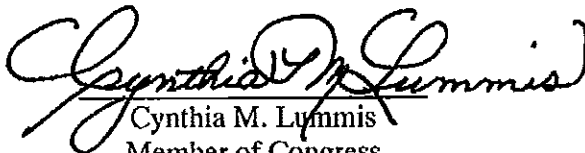
Robert E. Latta
Member of Congress



Scott Tipton
Member of Congress



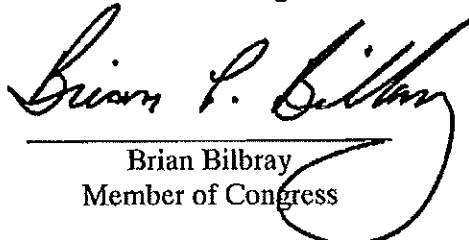
Daniel Lipinski
Member of Congress



Cynthia M. Lummis
Member of Congress



Roscoe Bartlett
Member of Congress



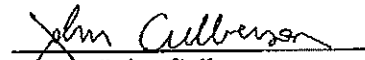
Brian Bilbray
Member of Congress



Dana Rohrabacher
Member of Congress



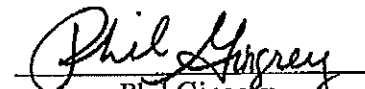
Rob Bishop
Member of Congress



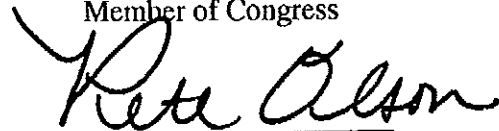
John Culberson
Member of Congress



Trent Franks
Member of Congress




Phil Gingrey
Member of Congress




Peter Olson
Member of Congress





Joseph Pitts
Member of Congress

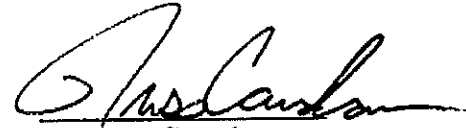


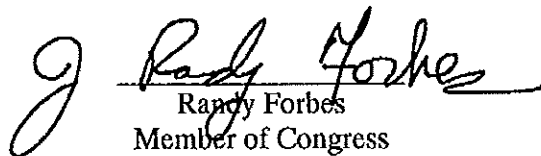
David McKinley
Member of Congress

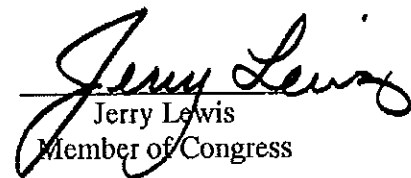

Robert Wittman
Member of Congress



Joe Wilson
Member of Congress


Todd Akin
Member of Congress

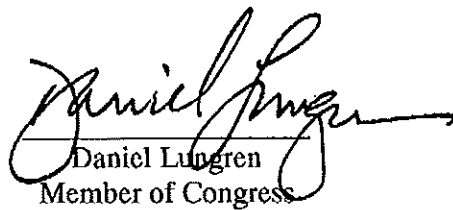

Russ Carnahan
Member of Congress



Randy Forbes
Member of Congress



Jerry Lewis
Member of Congress

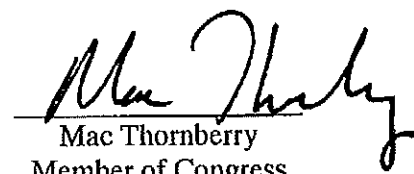

Doug Lamborn
Member of Congress


Leonard Boswell
Member of Congress


Daniel Lungren
Member of Congress


Thaddeus McCotter
Member of Congress


Cathy McMorris Rodgers
Member of Congress


Mac Thornberry
Member of Congress

MIKE COFFMAN
6TH DISTRICT, COLORADO

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WASHINGTON, DC 20515
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ARMED SERVICES COMMITTEE
NATURAL RESOURCES COMMITTEE
SMALL BUSINESS COMMITTEE

BALANCED BUDGET
AMENDMENT CAUCUS
CHAIRMAN

Congress of the United States
House of Representatives
Washington, DC 20515-0606

DISTRICT OFFICE:
9220 KIMMER DRIVE
SUITE 220
LONE TREE, CO 80124
(720) 283-9772

February 2, 2012

President Barack Obama
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama:

We are writing in response to your statements regarding our trade relations with China during your recent State of the Union address. We appreciate your focus on this issue, and specifically request you ensure your Administration follows up on a particular area of grave concern in our trade with China: rare earth minerals.

Rare earth minerals are critical to the American economy and our national security. These materials are necessary for our national security, the development of new technology, growing the renewable energy sector, and securing economic growth in high-tech industries.

This is particularly timely. As you know, on July 5, 2011, the World Trade Organization (WTO) issued a ruling on a petition brought by the U.S., Europe, and Mexico regarding China's restrictions on the export of various raw materials. The WTO found China was in violation of their commitment to free trade policies, and just this week, on January 30, 2012, the appeals panel of the World Trade Organization ruled that China must dismantle its system of export taxes and quotas for nine widely used industrial materials.

The similarity between Chinese raw material exports and rare earth exports suggests that rectifying the rare earth situation should be among the first efforts undertaken in any new focus on trade equality. We urge you to point the new Trade Enforcement Unit at the various restrictions, quotas and de facto embargoes used by China in the rare earth market.

Many of us have also urged a WTO case against China due to their rare earth practices, and we renew that request with you as well.

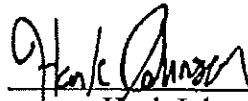
China's rare earth policies defy global trade laws to create supply scarcity and price inflation in the global market while ensuring surplus and lower prices in domestic markets. This unjust manipulation of the global trade market compels companies to relocate to China, bringing jobs, capital and intellectual property with them. The United States must respond vigorously.

We look forward to hearing from you on this matter and stand ready to assist you in any way.

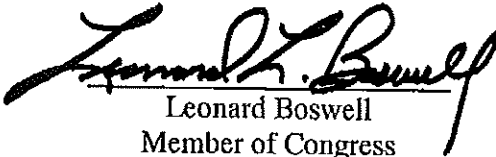
Sincerely,



Mike Coffman
Member of Congress



Hank Johnson
Member of Congress



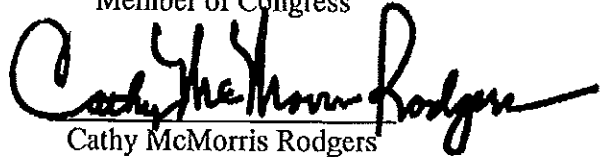
Leonard Boswell
Member of Congress



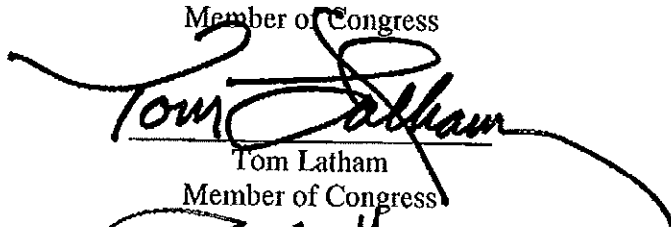
Cynthia M. Lummis
Member of Congress



Dana Rohrabacher
Member of Congress



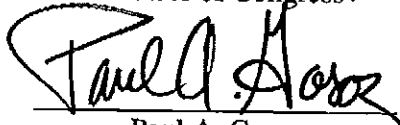
Cathy McMorris Rodgers
Member of Congress



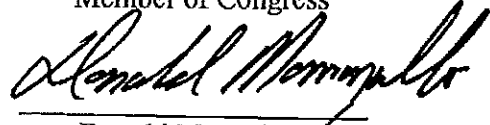
Tom Latham
Member of Congress



Walter B. Jones
Member of Congress



Paul A. Gosar
Member of Congress



Donald Manzullo
Member of Congress

Congress of the United States

Washington, DC 20515

July 8, 2011

Ambassador Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Kirk:

On July 5, 2011, the World Trade Organization (WTO) issued the ruling on a petition brought by the U.S., Europe, and Mexico regarding China's restrictions on the export of various raw materials. As you know, the WTO found they were in violation of their commitment to free trade policies. Due to the similarity between the Chinese raw material exports situation and rare earth export situation, we renew our request that you pursue our options before the WTO related to Chinese rare earth trade policy.

Rare earth minerals are critical to the American economy and our national security. These materials are used in the production of everyday items and are necessary for the development of new technology, growing the renewable energy sector, and securing economic growth in high-tech industries.

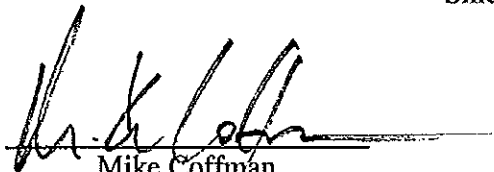
The United States and the world are almost entirely dependent upon Chinese supplies of rare earth minerals, with 97 percent of the world's rare earths sourced from China. Since 2006, China has continually reduced its export quotas, announcing a further decrease in exports of rare earths this year. There is also a de facto but very real "export premium" of over \$100 a kg for exports. Such policies flout global trade laws to give China an unfair competitive advantage, creating supply scarcity and inflating the prices of the rare earths in the global market while ensuring sufficient supply and lower prices to domestic Chinese markets. This unjust manipulation of the global trade market entices high-tech companies to relocate to China, bringing payrolls and profit margins with them.

Our dependence on China for materials used for information and defense technologies is a matter of national security. China's retaliatory embargo of rare earth minerals against Japan, and similar slowdown of exports to the U.S. in 2010, demonstrates the volatility of this trade relationship, with China leveraging material supplies for policy actions.

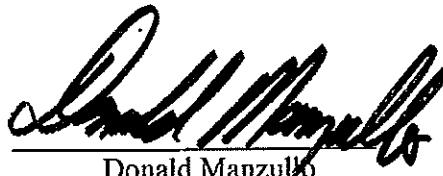
While steps must be taken to secure domestic supplies of rare earths, we must also ensure that WTO members adhere to free trade agreements with regards to rare earth materials. The recent ruling by the WTO regarding China's export restrictions on raw materials affirms that such trade

policies go against its membership obligations. In light of these new developments, we look forward to hearing from you on this matter and stand ready to assist you in any way.

Sincerely,



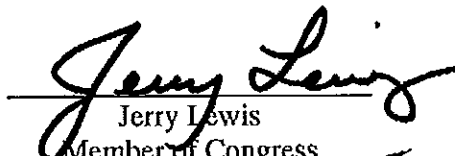
Mike Coffman
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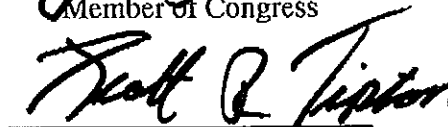
Rob Bishop
Member of Congress



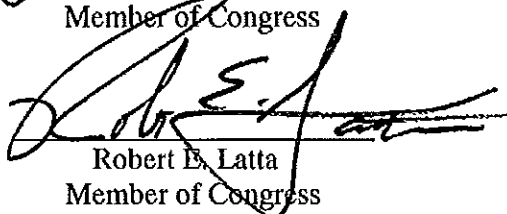
Jerry Lewis
Member of Congress



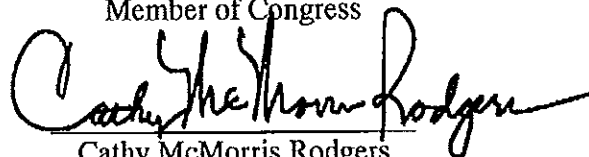
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Member of Congress

Member of Congress